



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0022	Title:	Remove termination on coal tax for manufacturing, agriculture, and development
Primary Sponsor:	Dickenson, Sue	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$100,000	\$1,615,000	\$1,615,000	\$1,615,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$100,000)</u>	<u>(\$1,615,000)</u>	<u>(\$1,615,000)</u>	<u>(\$1,615,000)</u>

Description of fiscal impact:

This bill removes the June 30, 2010 sunset on interest income from the Coal Severance Tax Permanent Fund appropriated to the Montana Manufacturing Extension Center, the Growth Through Agriculture Program, and the Montana Cooperative Development Center. HB 22 also requires that 35% of the appropriation to the Montana Manufacturing Extension Center be used in collaboration with the Department of Environmental Quality to promote recycling and provide a joint report to the legislature.

FISCAL ANALYSIS

Assumptions:

- 15-35-108 (Temporary), MCA, will not be terminated on June 30, 2010.
- 15-35-108 (Effective July 1, 2010), MCA, will provide for continued funding from coal severance tax permanent fund interest income for the Growth Through Agriculture (GTA) program provided for in Title 90, Chapter 9; the Montana Cooperative Development Center (MCDC); and the Montana Manufacturing Extension Center (MMEC). Funding is through a statutory, annual appropriation from the general fund.
- The GTA program will continue to receive \$1.25 million annually, the MCDC will continue to receive \$65,000 annually, and the MMEC will increase from \$200,000 to \$300,000 in FY 2010 and will continue annually.

4. Out of the \$1.25 million in the GTA program, personal services include 3.00 FTE business development specialists, and 1.00 FTE marketing technician. Personal services are adjusted by an inflation factor of 2.5% each year.
5. Operating expenses include \$100,000 in FY 2010 and \$300,000 in FY 2011 through FY 2013 from the MMEC and remain fixed each year.
6. Operating expenses include \$65,000 for distribution to the MCDC and loans to agricultural producers. The MCDC distribution remains fixed each year. The balance in operating expenses is adjusted by an inflation factor of 2.5% each year.
7. Except for the additional \$100,000 for MMEC, the figures in the chart reflect current expenditures if there had been no sunset on the distribution of interest income from the Coal Severance Tax Permanent Fund.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	4.00	4.00	4.00
<u>Expenditures:</u>				
Personal Services	\$0	\$287,239	\$294,420	\$301,780
Operating Expenses	\$100,000	\$502,526	\$505,964	\$509,488
Grants	\$0	\$825,235	\$814,616	\$803,732
TOTAL Expenditures	\$100,000	\$1,615,000	\$1,615,000	\$1,615,000
<u>Funding of Expenditures:</u>				
General Fund (01)	\$100,000	\$1,615,000	\$1,615,000	\$1,615,000
TOTAL Funding of Exp.	\$100,000	\$1,615,000	\$1,615,000	\$1,615,000
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$100,000)	(\$1,615,000)	(\$1,615,000)	(\$1,615,000)

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date